

# **TOPEKA HOUSING AUTHORITY**



## **2014 ANNUAL REPORT**

**April 2015**

This Annual Report is submitted to the Clerk of the City of Topeka by the Board of Commissioners of the Topeka Housing Authority (THA) pursuant to the requirements of K.S.A. 17-2363 of the Municipal Housing Law of the State of Kansas.

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## The Commissioners' Message

To: Mayor Wolgast  
Members of the City Council  
Jim Colson, City Manager

From: Frank Ybarra, PhD, Chair  
THA Board of Commissioners

Date: April 22, 2015

Re: Annual Report for 2014

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The attached Annual Report summarizes Topeka Housing Authority (THA) activities and accomplishments in 2014.

In my message in last year's Annual Report I noted that "we as a board expect 2014 to be the most challenging funding environment that THA has faced in its history." Unfortunately, this prediction proved to be accurate. A combination of federal budget cuts and sequestration reduced the support HUD provided THA by \$500,000 in 2014. At the same time, HUD drained the reserves held by Public Housing Authorities nationwide by short funding Housing Authorities based on the amount of the reserves they had on hand.

In my message accompanying last year's Annual Report I also noted that our board was committed to addressing the challenges facing THA in 2014 successfully, and that we fully expected to do so. Simply put, we did.

Going forward, we expect that the number of Topeka households that need affordable housing assistance will grow while resources available to meet this growing demand for affordable housing will shrink. Our board assumes that the business model that THA has used for the past 15 years will not carry THA through the next 15 years. We are hard at work identifying new, cutting edge ways to provide affordable housing assistance to Topeka residents.

On behalf of my colleagues on the THA Board of Commissioners, we thank you for the opportunity to serve in this capacity.

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From the Executive Director

In the face of major federal funding cuts the Topeka Housing Authority was able to provide decent, affordable housing for 2,079 Topeka families in 2014. This was due to a great deal of hard work on the part of both THA's Board and staff.

There is much thinking and effort ahead of us, but we are working with the United Way of Greater Topeka and USD #501 to transform THA's Pine Ridge Manor into a "success zone" where pre-school aged children receive the support and assistance they need to start kindergarten ready to learn, where teenagers can be co-owners of business ventures, and adults have multiple work opportunities. We anticipate that this can and will be a model for neighborhood transformation elsewhere.

We look forward to another successful year of service to the Topeka community.

Sophie George  
Executive Director  
Topeka Housing Authority

## INTRODUCTION

This Annual Report is submitted to the Clerk of the City of Topeka by the Board of Commissioners of the Topeka Housing Authority (THA) pursuant to the requirements of K.S.A. 17-2363, the Municipal Housing Law of the State of Kansas.

The Report has six parts: Overall Performance, Financial Management, Household Demographics and Community Indicators, New Programs and Initiatives, THA's Future, and Recommendations for Legislation or other action.

Enrollment and performance statistics for calendar years 2011 – 2014 are derived from THA's Public and Section 8 housing management information system.

## A. OVERALL PERFORMANCE

<b>1. Families Housed</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>THA Housing</b>	<b>649</b>	<b>719</b>	<b>711</b>	<b>718</b>
<b>Section 8 Rental Assistance</b>	<b>1,287</b>	<b>1,454</b>	<b>1,264</b>	<b>1,436</b>
Housing Choice Voucher	1,188	1,331	1,144	1,319
Veterans Assisted Housing	75	104	100	97
Mainstream (Adults w Disabilities)	24	19	20	20
 <b>Total – THA Housing &amp; Section 8</b>	 <b>1,936</b>	 <b>2,173</b>	 <b>1,975</b>	 <b>2,154</b>

<b>2. Related Activities (Inputs)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>THA Housing</b>				
Applications Received	1,343	1,804	1,322	<b>2,771</b>
Move-Ins	327	344	244	315
Move-Outs	304	284	241	307
Vacancy Rate	6.6%	3.0%	3.8%	3.0%

*\* 2011 vacancies were affected by the addition of 82 new housing units which began with a vacancy rate of 100%.*

### **Section 8 Rental Assistance**

Applications Received	0*	2,885	0*	856
New Vouchers Issued	0*	935	0*	709
Section 8 Vouchers Used	100%	108%	106%	100%

*\*The Section 8 waiting list was closed for calendar years 2011 & 2013 due to federal funding constraints.*

### **3. Performance Analysis**

In 2013, the previous year reported, the Section 8 Program ended the year over-leased to make up for variations in funding\* and occupancy earlier in the year, ensuring that all available HUD funds were used to provide housing assistance to the maximum number of families possible. In 2014 no new Section 8 vouchers were issued, permitting total enrollment to decline to a more sustainable level from natural attrition (each month some families leave the program voluntarily and some leave as a consequence of violating program rules).

THA Housing occupancy held steady for 2014 with a less than one percent variance from the prior year. Vacancy rates for THA Housing have trended downward over the past four years, largely the result of streamlining the processes of admission, eligibility verification and vacant unit turnaround – with a goal of housing more families, more quickly, at the point in time when they are ready and able to move.

*\*In 2012 THA's Section 8 Program was awarded increased funding for Veterans Affairs Supportive Housing and also took on 47 Section 8 vouchers previously HUD-assigned to an apartment complex that chose to terminate its Section 8 participation.*

## **B. FINANCIAL MANAGEMENT**

THA owns and rents 739 Public Housing units to low income families. These households pay 30% of their adjusted income for rent and utilities, and the U.S. Department of Housing and Urban Development (HUD) provides THA a subsidy that partially reimburses THA for the cost of making these affordable rental units available. THA also uses funds provided by HUD to reduce the housing costs for 1,436 households that rent units from private sector landlords. Currently THA houses 4% of all Topekans and 21% of Topekans with an annual household income below \$20,000.

In 2014 Housing Authorities nationwide received 82% of the formula amount for Public Housing subsidies, 70% of the formula amount for Capital Improvements funding, and 69% of the administrative funding required to operate the Section 8 Program. Beyond this, HUD systematically drained Public Housing and Section 8 Program reserves from Public Housing Authorities nationwide by short funding Housing Authorities in the amount of the reserves they had on hand. The funding percentages are a bit higher in 2015, but there are indications that this will only be temporary.

Unfortunately, this underfunding has not been a one-time phenomenon. THA has not received full formula funding for Public Housing and the Section 8 Program since 2002. Despite more than a decade of underfunding, THA has been able to balance revenues and expenditures because THA programs are operated more efficiently than those of Housing Authorities in other communities.

## C. HOUSEHOLD DEMOGRAPHICS AND COMMUNITY INDICATORS

### 1. Household Income

THA Housing and the Section 8 Program provide safe, affordable housing to Topeka households with annual incomes significantly below the city-wide average for Topeka. The typical resident of THA Housing is trying to manage on a household annual income of less than one fifth the Topeka average. Economic security for Section 8 households is not significantly better, with an average annual income that falls below one-fourth of Topeka's annual average. For these families the availability of affordable housing is a lifesaver.

Average Annual Household Income	THA Housing	Section 8	Topeka, KS 2008-2012**
All households	\$10,658	\$13,339	\$63,303
**DP03: Income & Benefits (in 2013 Inflation-Adjusted Dollars), Selected Economic Characteristics, 2009-2013 American Community Survey 5-Year Estimates, U.S. Bureau of the Census			

### 2. Race and Ethnicity

The table below shows the race and ethnicity of households served by THA Housing and the Section 8 Program compared to characteristics of Topeka's poor – local households with annual incomes below \$15,000. For each count or estimate listed, demographic information for the head of household is the basis for racial and ethnic classification of the household.

According to 2013, 5-year income estimates from the U.S. Bureau of the Census, two-thirds (65%) of Topeka households with incomes under \$15,000 are headed by a white person while black households in this income category account for 20%. Based on these city-level estimates, THA enrollment statistics show white households somewhat underrepresented among THA Housing leaseholders (64%) and Section 8 participants (55%) in comparison to their prevalence among households with incomes below \$15,000 per year (65%). In contrast, households headed by a black person account for 34% of THA Housing leases and 41% of Section 8 participants, a rate somewhat higher than the percentage of black households (20%) in the income range used for this comparison.

Householders self-identified as Hispanic (of any race) make up 10% of Topeka households in this income category but only 7% and 7% respectively of households served by THA Housing and the Section 8 Program.

Race	THA Housing Tenants by Race	Section 8 Participants by Race	Topeka Households with Annual Incomes Below \$15,000 by Race & Ethnicity* (as a percent of all households below \$15,000)
White	64%	55%	65%
Black/African American	34%	41%	20%
American Indian	0.8%	2%	2%
All Other	1.2%	2%	13%
<b>Ethnicity</b>			
Hispanic of Any Race	7%	7%	10%
*B19001, B19001A, B19001C, B19001H, B19001I: Household Income In The Past 12 Months (in 2013 Inflation-Adjusted Dollars) & Selected Economic Characteristics- Universe: Households, 2009-2013 American Community Survey Selected Population Tables U.S. Bureau of the Census			

### 3. Household Characteristics

Household composition for both THA Housing and the Section 8 Program are likely different than common stereotypes about persons living in federally assisted housing. Single person households are the most prevalent living arrangement for both programs – three out of five THA Housing tenants and half of all Section 8 households. For THA Housing, the higher rate of single person occupancy is influenced by the high ratio of studio and one bedroom units in THA's inventory. Families with children take up the second position, occupying one-third of THA Housing units and just over two out of five families housed through the Section 8 Program. Together these two household configurations account for more than nine out of ten families housed by both programs.

Among households with children, large families are rare. Looking at just families with children from birth through age 17, the average for THA Housing is two children and for Section 8 only slightly higher at 2.1 children per household.

The elderly – defined here as persons at least 62 years of age, the eligibility threshold for receiving early Social Security retirement benefits – make up one out of seven persons living in THA Housing and one in five persons in the Section 8 Program. Overwhelmingly these seniors are widows, widowers, divorced or never-married persons in single person households. Only one in five is a member of a household composed of two or more persons.

Persons with work-related disabilities account for a sizeable portion of the low income population in the community, as reflected in enrollment statistics for heads of household enrolled in housing programs served by the Topeka Housing Authority. Working age (age 18-61) householders affected by one or more disabilities make up one third of THA Housing leaseholders and account for two out of five heads of household served by the Section 8 Program.

These household characteristics are indicative of Topeka Housing Authority's focus: Providing decent, affordable housing to very low income families and individuals, with a priority on serving working families, the elderly and persons with disabilities.

Household Characteristics	THA Housing	Section 8
Average Household Size (Persons)	1.9	2.1
Single Person Households <i>(as a percent of all households)</i>	55%	46%
Households of Two or More Persons	45%	54%
Households with Children <i>(as a percent of all households)</i>	36%	47%
Average Number of Children <i>(in households with children)</i>	2	2.1
Persons Age 62 and Older <i>(as a percent of all persons)</i>	8%	18%
Head of Household (age 18-61) with One or More Work-Related Disabilities <i>(as a percent of all heads of household)</i>	33%	39%

## **D. NEW PROGRAMS AND INITIATIVES**

### **1. Pine Ridge Partnership**

THA has been working very diligently on an endeavor, now well known as the Pine Ridge Partnership. The Pine Ridge Partnership collaboration between THA, United Way of Greater Topeka, Topeka Public Schools USD 501 and countless other volunteers and donors.

The Pine Ridge Partnership is a truly innovative and dynamic approach that has proven that with intentional dedication and the targeting of resources you can transform a neighborhood into a community. We have used the Pine Ridge Partnership as an incubator to test the results and we have found a model that works. The next step is reaching every household and every person in those households to improve their lives with a focus on health and wellbeing, financial stability and breaking the generational poverty by targeting the youth to ensure a healthy and productive adulthood.

E3 Aquaponics (E3), Sustainable Communities Career Center (SC3), Parents as Teachers (PAT), Pine Ridge Prep Preschools (PRP), and the United Way Young Leaders Society Born Learning Trail (BLT) collectively are known as the Pine Ridge Partnership. The Partnership is located in the middle of the community in repurposed buildings that used to be rental units, an underused community center and a maintenance garage. The Partnership provides housing, education and resources to the entire neighborhood that otherwise would not have access.

E3 Aquaponics is a large indoor urban farm that combines aquaculture, the raising of fish, and hydroponics, the growing of vegetables in a soilless environment. E3 involves youth "co-owners" from the neighborhood to learn about sustainability, promote self-confidence, soft skills needed to be employable and provide education about small business operation. SC3 serves as the classroom for E3 but will also be a multi-purpose building to educate the community as a whole about sustainability, aid in job search and help to explore multiple different career possibilities. PAT serves families with children age 0-2 to ensure a good start to a healthy life. PRP serves families with kids ages 3-5. It is an Early Learning Community Preschool where 51 kids attend school every day. BLT is an educational walking trail that has various stops along the trail that are intended to stimulate educational conversations between parents and youth. The initial design was just the trail, however the final design turned into an entire park that has become a hub in the community for gatherings, birthday parties, and the playground for the preschools.

In 2015 there are plans to expand PRP by adding a fourth classroom and a health clinic that would be available to the community. This model of community development is one that we feel should be replicated in other neighborhoods in Topeka.

### **2. Portfolio Renovation**

THA has an aging housing stock that dates back as far as 1959 with the exception of Echo Ridge and a small portion of Tennessee Town. Over the last few years THA has explored numerous different funding possibilities to start the process of renovating the entire THA public housing portfolio. This will be a lengthy process but one that is much needed and will be a benefit not only to the families that THA serves but to the entire City of Topeka.

## **E. THE FUTURE**

Unquestionably, over the next decade finding the resources needed to provide affordable housing to Topeka residents will be a challenge as the need for affordable housing grows, operating costs rise, and HUD support shrinks. To continue to be successful THA will need to find different and better ways to provide affordable housing.

## **F. RECOMMENDATIONS**

This annual report is submitted in compliance with provisions of the Kansas Municipal Housing Law, specifically K.S.A. 17-2363, which calls for each municipal housing authority to annually submit a report on its activities for the preceding year and “make recommendations with reference to such additional legislation or other action as it deems necessary in order to carry out the purposes of this act.”

The Topeka Housing Authority makes no recommendations with reference to additional legislation or other action necessary to carry out the purposes of the Kansas Municipal Housing Act.